



Date: November 8, 2011

To: Thomas J. Bonfield, City Manager
Through: Theodore L. Voorhees, Deputy City Manager
From: Marvin Williams, Director of Public Works
Edward R. Venable, Manager of Engineering and Stormwater
Subject: Acquisition of Undeveloped Properties on Fayetteville Road

Executive Summary

The widening of Fayetteville Road to a four-lane divided section with turning lanes from Woodcroft Parkway to north of Buxton Drive is a project currently in the design phase and will ultimately require purchasing the necessary rights-of-way. The City was approached by the owners of All Pets Bed and Breakfast Kennels, LLC., offering two undeveloped parcels within the project area available for purchase. These parcels are essential to the completion of this project. The purchase of these properties will prevent these parcels from being developed, thus reducing the cost of this right-of-way in the future.

At the request from the Public Works Department, the General Services Department secured an Option to purchase the property for \$85,000.00 the appraised value.

Recommendation

The Public Works Department and the General Services Department recommend that the City Council approve the acquisitions of 4920 Fayetteville Road, Parcel ID # 147246, and 4992 Fayetteville Road, Parcel ID #147245 for \$85,000.00 from All Pets Bed and Breakfast Kennels, LLC.

Background

The General Services Department has secured an Option to purchase the properties from All Pets Bed and Breakfast Kennels LLC, a North Carolina Limited Liability Company. The Option contains the following additional terms and conditions:

- Option expires in ninety (90) days after City Council approval.
- The property required is vacant land only.
- The option price is \$85,000.00 which is the appraised value.
- Upon exercise of the Option by the City, by giving notice of such exercise, the Seller shall execute and deliver a good and sufficient deed conveying title to the City.
- It is understood and agreed that the City or its agents or contractors may enter upon the properties for purposes related to the acquisition at any time after the execution of the Option and prior to delivery of the deed.

Issues/Analysis

- Purchase of Title Insurance: If the City Council approves the acquisitions, Real Estate recommends that title insurance be purchased for a cost of \$200.00.
- Property Taxes: The Seller is responsible for the 2011 assessed property taxes that are due in the amount of \$722.44. Property taxes will be prorated at the time of the settlement.

Alternatives

The City Council has the discretion not to acquire the properties; however, future acquisition costs to acquire the properties may be more if they are developed. This alternative is not recommended because the Administration feels that since the Seller is willing to sell and the properties are undeveloped, it is more feasible for the City to purchase the properties now. Fayetteville Road Widening is a listed CIP project, though it is not funded for construction. Enough is known about the design to conclude that this parcel will be required. In this area of the project, all the widening is to the west of the existing road and will require the eventual purchase of this property.

Financial Impact

Funds for this purchase are budgeted for in the following account:

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|------------------------------------|-----------------------|-------------|
| Fayetteville Rd. Widening Phase II | 3601L010-730100-LE004 | \$86,050.00 |
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These acquisition costs include sales price, title insurance, recording fees, and title searches.

SDBE Summary

This item does not require review by the Equal Opportunity/Equity Assurance Department.

Attachment: 4920 & 4992 Fayetteville Road Map